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IN RE: HYUNDAI SONATA ENGINE
LITIGATION

Hon. Beth Labson Freeman
UUOOUAFUUUXCPO

L.R. 7-12

1 Plaintiffs Beth Graham and Elizabeth Mendoza, and Defendant Hyundai Motor America, who
2 are the parties in the consolidated case pending before this Court, *In re: Hyundai Sonata Engine*
3 *Litigation*, 5:15-cv-01685-BLF, hereby stipulate as follows:

4 WHEREAS, this litigation arises out of allegations (denied by Defendant) that Hyundai
5 manufactured, sold, and leased Sonata vehicles that have an engine defect that can cause sudden engine
6 seizure;

7 WHEREAS, counsel for Plaintiff Mendoza filed *Mendoza v. Hyundai Motor Company, Ltd.*,
8 No. 5:15-cv-1685-BLF on April 14, 2015, and counsel for Plaintiff Graham filed *Graham v. Hyundai*
9 *Motor America, Inc.*, No. 5:15-cv-2071-BLF, on May 7, 2015;

10 WHEREAS, on June 24, 2015, the Court issued Orders consolidating the two cases under the
11 present master docket and master file in Case No. 5:15-cv-1685-BLF, ordering Plaintiffs to file a
12 consolidated complaint, and continuing the Initial Case Management Conference until October 15,
13 2015;

14 WHEREAS, on August 20, 2015, the Court issued an Order extending Plaintiffs' time to file a
15 consolidated complaint, currently due on October 8, 2015.

16 WHEREAS, on September 8, 2015, the Court issued an Order appointing Eric H. Gibbs and
17 David Stein of Gibbs Law Group LLP and Matthew D. Schelkopf and Joseph G. Sauder of Chimicles
18 & Tikellis LLP as Co-Lead Interim Class Counsel;

19 WHEREAS, since consolidation, counsel for the parties have met and conferred several times
20 by telephone and in person, and have had several productive discussions regarding the allegations in the
21 complaint, defenses to those allegations, scheduling, and potential resolution of this matter;

22 WHEREAS, on September 2, 2015, the parties conferred with legal and engineering
23 representatives from Hyundai and discussed a recall announced by the National Highway
24 Transportation Safety Agency and Hyundai on September 24, 2015, whose details are described in the
25 Safety Recall Report attached as **Exhibit 1**;

26 WHEREAS, the parties are currently scheduled to enter mediation on October 29, 2015, with
27 the assistance of Hon. James P. Kleinberg (Ret.) of JAMS;

28 WHEREAS, the parties believe that they will make substantial progress in their discussions

1 regarding resolution of this action in mediation and believe it will be the most efficient and expeditious
2 manner of advancing this litigation;

3 WHEREAS, as a result, the parties seek to extend Plaintiffs' time to file a consolidated
4 complaint and continue the Case Management Conference currently set for October 15, 2015.

5 THE PARTIES HEREBY STIPULATE AND AGREE, subject to the Court's approval, that:

6 1. Plaintiffs' time to file a consolidated complaint is extended until November 12, 2015;
7 and

8 2. The Case Management Conference set for October 15, 2015 shall be continued until
9 November 19, 2015.

10 IT IS SO STIPULATED.

11
12 Dated: October 1, 2015

GIBBS LAW GROUP LLP

13
14 By: /s/ Eric H. Gibbs

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Co-Lead Interim Class Counsel

1 Dated: October 1, 2015

2 By: /s/ Shon Morgan

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13 *Counsel for Defendant Hyundai Motor America, Inc.*

14 * * *

15 **ORDER**

16 PURSUANT TO STIPULATION IT IS SO ORDERED.

17 Dated: U&à^!A&GÍ

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19 HONORABLE BETH L. FREEMAN
20 UNITED STATES DISTRICT COURT JUDGE
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ATTESTATION OF E-FILED SIGNATURE

I, Eric H. Gibbs, am the ECF User whose ID and password are being used to file the foregoing *Stipulation to Extend Time to File Consolidated Complaint and Continue Initial Case Management Conference*. In compliance with Civil L.R. 5-1(i)(3), I hereby attest that the other signatories listed have concurred in this filing.

Dated: October 1, 2015

By: /s/ Eric H. Gibbs

EXHIBIT 1

Part 573 Safety Recall Report**15V-568****Manufacturer Name :** Hyundai Motor America**Submission Date :** SEP 10,2015**NHTSA Recall No. :** 15V-568**Manufacturer Recall No. :** 132**Manufacturer Information :**

Manufacturer Name : Hyundai Motor America

Address : 10550 Talbert Avenue

Fountain Valley CA 92708

Company phone : 1-855-671-3059

Population :

Number of potentially involved : 470,000

Estimated percentage with defect : 2

Vehicle Information :

Vehicle : 2011-2012 Hyundai Sonata

Vehicle Type : LIGHT VEHICLES

Body Style :

Power Train : GAS

Descriptive Information : Model Year 2011 and 2012 Hyundai Sonata vehicles manufactured at Hyundai Motor Manufacturing Alabama equipped with 2.0 liter and 2.4 liter Gasoline Direct injection engines.

Production Dates : DEC 11, 2009 - APR 12, 2012

VIN (Vehicle Identification Number) Range

Begin : NR

End : NR

☐ Not sequential VINs**Description of Defect :**

Description of the Defect : Hyundai has determined that metal debris may have been generated from factory machining operations as part of the manufacturing of the engine crankshaft during the subject production period. As part of the machining processes, the engine crankshaft is cleaned to remove metallic debris. If the debris is not completely removed from the crankshaft's oil passages, it can be forced into the connecting rod oiling passages restricting oil flow to the bearings. Since bearings are cooled by oil flow between the bearing and journal, a reduction in the flow of oil may raise bearing temperatures increasing the potential of premature bearing wear. A worn connecting rod bearing will produce a metallic, cyclic knocking noise from the engine which increases in frequency as the engine rpm increases. A worn connecting rod bearing may also result in illumination of the oil pressure lamp in the instrument cluster. If the vehicle continues to be driven with a worn connecting rod bearing, the bearing can fail, and the vehicle could stall while in motion.

FMVSS 1 :NR

FMVSS 2 :NR

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Description of the Safety Risk : An engine stall at higher speeds can increase the risk of a crash.

Description of the Cause : NR

Identification of Any Warning that can Occur : 1) Knocking noise from engine
2) Illumination of engine warning lamp

Supplier Identification :**Component Manufacturer**

Name : NR

Address : NR

NR

Country : NR

Chronology :

The 2011 Hyundai Sonata was the first Hyundai vehicle to use an engine manufactured in Hyundai's Alabama engine factory. As is the case with any production process, revisions were made to the manufacturing processes. Of note, Hyundai initially used a mechanical deburring process to remove machining debris from the crankshaft. In April of 2012, Hyundai incorporated a high pressure "wet blast" process to remove metallic debris from the component.

As the subject vehicles gained field experience, Hyundai became aware of engine-related warranty claims in the field. The vast majority of those claims evidenced that customers were responding to substantial noise, or the vehicle's check engine light, and bringing their vehicles to service as a result of those warnings. Many customers also complained after the warranty was no longer available. In a relatively smaller number of instances, customers reported stalling events. However, the majority of those customers did not mention the speed at which the vehicle was moving at the time of the reported stalling event. These customers were also able to restart their vehicles and/or move the vehicles to the side of the road.

In June, 2015, NHTSA raised the issue with Hyundai. Hyundai explained that, as of that time, it did not consider the issue to be safety-related due to the substantial warnings and the evidence that customers were responding to the warnings, among other reasons. Upon reviewing Hyundai's information, the Office of Defects Investigation informed Hyundai of its concern over the potential for higher speed stalling events. These discussions occurred throughout August, 2015. On September 2, 2015, this issue was discussed at HMA's Technical Committee meeting. At that time, Hyundai decided conduct the field action as a safety recall and to file this Defect Information Report.

To date, there have been no reports of accidents or injuries attributed to this condition.

Description of Remedy :

Description of Remedy Program : 1) Hyundai Motor America will notify owners of affected vehicles to return their vehicles to their Hyundai dealers to inspect, and if necessary, replace the engine assembly.

2) Hyundai Motor America will increase the warranty for the engine

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sub-assembly (short block) to 10 years/120,000 miles for both original and subsequent owners of 2011 and 2012 Sonatas manufactured at Hyundai Motor Manufacturing Alabama equipped with 2.0 liter and 2.4 liter Gasoline Direct injection engines.

3) Hyundai will provide reimbursement to owners for repairs according to the plan submitted on November 2, 2014.

How Remedy Component Differs from Recalled Component : NR

Identify How/When Recall Condition was Corrected in Production : The cleaning process was revised in April 2012 to utilize a hydraulic pressure “wet blast” process to clean the crankshaft oil passages.

Recall Schedule :

Description of Recall Schedule : NR

Planned Dealer Notification Date : NOV 09, 2015 - NOV 09, 2015

Planned Owner Notification Date : NOV 09, 2015 - NOV 09, 2015

* NR - Not Reported